

WT 05-169

FCC 603	FCC Wireless Telecommunications Bureau Application for Assignments of Authorization and Transfers of Control	Approved by OMB 3060 - 0800 See instructions for public burden estimate Submitted 04/05/2005 at 11:01AM File Number: 0002007683
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1) Application Purpose: Amendment	
2a) If this request is for an Amendment or Withdrawal, enter the File Number of the pending application currently on file with the FCC.	File Number: 0002007683
2b) File numbers of related pending applications currently on file with the FCC:	

Type of Transaction

3a) Is this a <i>pro forma</i> assignment of authorization or transfer of control? No
3b) If the answer to Item 3a is 'Yes', is this a notification of a <i>pro forma</i> transaction being filed under the Commission's forbearance procedures for telecommunications licenses?
4) For assignment of authorization only, is this a partition and/or disaggregation? No
5a) Does this filing request a waiver of the Commission rules? If 'Yes', attach an exhibit providing the rule numbers and explaining circumstances. Yes
5b) If a feeable waiver request is attached, multiply the number of stations (call signs) times the number of rule sections and enter the result. 1
6) Are attachments being filed with this application? Yes
7a) Does the transaction that is the subject of this application also involve transfer or assignment of other wireless licenses held by the assignor/transferor or affiliates of the assignor/transferor(e.g., parents, subsidiaries, or commonly controlled entities) that are not included on this form and for which Commission approval is required? No
7b) Does the transaction that is the subject of this application also involve transfer or assignment of non-wireless licenses that are not included on this form and for which Commission approval is required? No

Transaction Information

8) How will assignment of authorization or transfer of control be accomplished? Sale or other assignment or transfer of stock If required by applicable rule, attach as an exhibit a statement on how control is to be assigned or transferred, along with copies of any pertinent contracts, agreements, instruments, certified copies of Court Orders, etc.
9) The assignment of authorization or transfer of control of license is: Voluntary

Licensee/Assignor Information

10) FCC Registration Number (FRN): 0003475233			
11) First Name (if individual):	MI:	Last Name:	Suffix:
12) Entity Name (if not an individual): Urban Comm-North Carolina, Inc.			
13) Attention To: James L. Winston			
14) P.O. Box:	And / Or	15) Street Address: 1155 Connecticut Avenue, NW, Sixth Floor	
16) City: Washington	17) State: DC	18) Zip Code: 20036	
19) Telephone Number: (202)861-0870		20) FAX Number: (202)429-0657	

21) E-Mail Address: **jwinston@rwdhc.com**

22) Race, Ethnicity, Gender of Assignor/Licensee (Optional)

Race:	American Indian or Alaska Native:	Asian:	Black or African-American:	Native Hawaiian or Other Pacific Islander:	White:
Ethnicity:	Hispanic or Latino:	Not Hispanic or Latino:			
Gender:	Female:	Male:			

Transferor Information (for transfers of control only)

23) FCC Registration Number (FRN):			
24) First Name (if individual):	MI:	Last Name:	Suffix:
25) Entity Name (if not an individual):			
26) P.O. Box:	And / Or	27) Street Address:	
28) City:	29) State:	30) Zip Code:	
31) Telephone Number:		32) FAX Number:	
33) E-Mail Address:			

Name of Transferor Contact Representative (if other than Transferor) (for transfers of control only)

34) First Name:	MI:	Last Name:	Suffix:
35) Company Name:			
36) P.O. Box:	And / Or	37) Street Address:	
38) City:	39) State:	40) Zip Code:	
41) Telephone Number:		42) FAX Number:	
43) E-Mail Address:			

Assignee/Transferee Information

44) The Assignee is a(n): Partnership			
45) FCC Registration Number (FRN): 0003290673			
46) First Name (if individual):	MI:	Last Name:	Suffix:
47) Entity Name (if other than individual): Celco Partnership			
48) Name of Real Party in Interest:			49) TIN:
50) Attention To: Pamella Y. Hoof			
51) P.O. Box:	And / Or	52) Street Address: One Verizon Place (MC: GA3B1REG)	
53) City: Alpharetta	54) State: GA	55) Zip Code: 30004	
56) Telephone Number: (678)339-4271		57) FAX Number: (678)339-8552	
58) E-Mail Address:			

Name of Assignee/Transferee Contact Representative(if other than Assignee/Transferee)

59) First Name: Sarah	MI:	Last Name: Weisman	Suffix:
60) Company Name: Verizon Wireless			
61) P.O. Box:	And / Or	62) Street Address: 1300 Eye Street, NW, Suite 400 West	

63) City: Washington	64) State: DC	65) Zip Code: 20006
66) Telephone Number: (202)589-3764	67) FAX Number: (202)589-3750	
68) E-Mail Address:		

Alien Ownership Questions

69) Is the Assignee or Transferee a foreign government or the representative of any foreign government?	No
70) Is the Assignee or Transferee an alien or the representative of an alien?	No
71) Is the Assignee or Transferee a corporation organized under the laws of any foreign government?	No
72) Is the Assignee or Transferee a corporation of which more than one-fifth of the capital stock is owned of record or voted by aliens or their representatives or by a foreign government or representative thereof or by any corporation organized under the laws of a foreign country?	No
73) Is the Assignee or Transferee directly or indirectly controlled by any other corporation of which more than one-fourth of the capital stock is owned of record or voted by aliens, their representatives, or by a foreign government or representative thereof, or by any corporation organized under the laws of a foreign country? If 'Yes', attach exhibit explaining nature and extent of alien or foreign ownership or control.	Yes

Basic Qualification Questions

74) Has the Assignee or Transferee or any party to this application had any FCC station authorization, license or construction permit revoked or had any application for an initial, modification or renewal of FCC station authorization, license, construction permit denied by the Commission? If 'Yes', attach exhibit explaining circumstances.	No
75) Has the Assignee or Transferee or any party to this application, or any party directly or indirectly controlling the Assignee or Transferee, or any party to this application ever been convicted of a felony by any state or federal court? If 'Yes', attach exhibit explaining circumstances.	No
76) Has any court finally adjudged the Assignee or Transferee, or any party directly or indirectly controlling the Assignee or Transferee guilty of unlawfully monopolizing or attempting unlawfully to monopolize radio communication, directly or indirectly, through control of manufacture or sale of radio apparatus, exclusive traffic arrangement, or any other means or unfair methods of competition? If 'Yes', attach exhibit explaining circumstances.	No
77) Is the Assignee or Transferee, or any party directly or indirectly controlling the Assignee or Transferee currently a party in any pending matter referred to in the preceding two items? If 'Yes', attach exhibit explaining circumstances.	Yes

78) Race, Ethnicity, Gender of Assignee/Transferee (Optional)

Race:	American Indian or Alaska Native:	Asian:	Black or African-American:	Native Hawaiian or Other Pacific Islander:	White:
Ethnicity:	Hispanic or Latino:	Not Hispanic or Latino:			
Gender:	Female:	Male:			

Fee Status

79) Is the applicant exempt from FCC application fees? No
80) Is the applicant exempt from FCC regulatory fees? Yes

Assignor/Transferor Certification Statements

1) The Assignor or Transferor certifies either (1) that the authorization will not be assigned or that control of the license will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to streamlined notification procedures for <i>pro forma</i> assignments and transfers by telecommunications carriers. See <i>Memorandum Opinion and Order</i> , 13 FCC Rcd. 6293(1998).
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2) The Assignor or Transferor certifies that all statements made in this application and in the exhibits, attachments, or in documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.

Typed or Printed Name of Party Authorized to Sign

81) First Name: **Edward** MI: **L** Last Name: **Kaywork** Suffix:

82) Title: **President**

Signature: **Edward L Kaywork**

83) Date: **04/05/05**

Assignee/Transferee Certification Statements

1) The Assignee or Transferee certifies either (1) that the authorization will not be assigned or that control of the license will not be transferred until the consent of the Federal Communications Commission has been given, or (2) that prior Commission consent is not required because the transaction is subject to streamlined notification procedures for *pro forma* assignments and transfers by telecommunications carriers See *Memorandum Opinion and Order*, 13 FCC Rcd. 6293 (1998).

2) The Assignee or Transferee waives any claim to the use of any particular frequency or of the electromagnetic spectrum as against the regulatory power of the United States because of the previous use of the same, whether by license or otherwise, and requests an authorization in accordance with this application.

3) The Assignee or Transferee certifies that grant of this application would not cause the Assignee or Transferee to be in violation of any pertinent cross-ownership, attribution, or spectrum cap rule.*

*If the applicant has sought a waiver of any such rule in connection with this application, it may make this certification subject to the outcome of the waiver request.

4) The Assignee or Transferee agrees to assume all obligations and abide by all conditions imposed on the Assignor or Transferor under the subject authorization(s), unless the Federal Communications Commission pursuant to a request made herein otherwise allows, except for liability for any act done by, or any right accrued by, or any suit or proceeding had or commenced against the Assignor or Transferor prior to this assignment.

5) The Assignee or Transferee certifies that all statements made in this application and in the exhibits, attachments, or in documents incorporated by reference are material, are part of this application, and are true, complete, correct, and made in good faith.

6) The Assignee or Transferee certifies that neither it nor any other party to the application is subject to a denial of Federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998, 21 U.S.C § 862, because of a conviction for possession or distribution of a controlled substance. See Section 1.2002(b) of the rules, 47 CFR § 1.2002(b), for the definition of "party to the application" as used in this certification.

7) The applicant certifies that it either (1) has an updated Form 602 on file with the Commission, (2) is filing an updated Form 602 simultaneously with this application, or (3) is not required to file Form 602 under the Commission's rules.

Typed or Printed Name of Party Authorized to Sign

84) First Name: **John** MI: **T** Last Name: **Scott** Suffix: **III**

85) Title: **VP Deputy General Counsel Regulatory Law**

Signature: **John T Scott III**

86) Date: **04/05/05**

WILLFUL FALSE STATEMENTS MADE ON THIS FORM OR ANY ATTACHMENTS ARE PUNISHABLE BY FINE AND/OR IMPRISONMENT (U.S. Code, Title 18, Section 1001) AND/OR REVOCATION OF ANY STATION LICENSE OR CONSTRUCTION PERMIT (U.S. Code, Title 47, Section 312(a)(1)), AND/OR FORFEITURE (U.S. Code, Title 47, Section 503).

Authorizations To Be Assigned or Transferred

87) Call Sign	88) Radio Service	89) Location Number	90) Path Number (Microwave only)	91) Frequency Number	92) Lower or Center Frequency (MHz)	93) Upper Frequency (MHz)	94) Constructed Yes / No	95) Assignment Indicator
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KNLF374	CW	Yes	Full
KNLF377	CW	Yes	Full
KNLF381	CW	Yes	Full

FCC Form 603 Schedule A	Schedule for Assignments of Authorization and Transfers of Control in Auctioned Services	Approved by OMB 3060 - 0800 See instructions for public burden estimate
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Assignments of Authorization**1) Assignee Eligibility for Installment Payments**(for assignments of authorization only)

Is the Assignee claiming the same category or a smaller category of eligibility for installment payments as the Assignor (as determined by the applicable rules governing the licenses issued to the Assignor)?

If 'Yes', is the Assignee applying for installment payments?

2) Gross Revenues and Total Assets Information(if required) (for assignments of authorization only)

Refer to applicable auction rules for method to determine required gross revenues and total assets information

Year 1 Gross Revenues (current)	Year 2 Gross Revenues	Year 3 Gross Revenues	Total Assets:
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3) Certification Statements**For Assignees Claiming Eligibility as an Entrepreneur Under the General Rule**

Assignee certifies that they are eligible to obtain the licenses for which they apply.

For Assignees Claiming Eligibility as a Publicly Traded Corporation

Assignee certifies that they are eligible to obtain the licenses for which they apply and that they comply with the definition of a Publicly Traded Corporation, as set out in the applicable FCC rules.

For Assignees Claiming Eligibility Using a Control Group Structure

Assignee certifies that they are eligible to obtain the licenses for which they apply.

Assignee certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

For Assignees Claiming Eligibility as a Very Small Business, Very Small Business Consortium, Small Business, or as a Small Business Consortium

Assignee certifies that they are eligible to obtain the licenses for which they apply.

Assignee certifies that the applicant's sole control group member is a pre-existing entity, if applicable.

For Assignees Claiming Eligibility as a Rural Telephone Company

Assignee certifies that they meet the definition of a Rural Telephone Company as set out in the applicable FCC rules, and must disclose all parties to agreement(s) to partition licenses won in this auction. See applicable FCC rules.

Transfers of Control**4) Licensee Eligibility**(for transfers of control only)

As a result of transfer of control, must the licensee now claim a larger or higher category of eligibility than was originally declared?

If 'Yes', the new category of eligibility of the licensee is:

Certification Statement for Transferees

Transferee certifies that the answers provided in Item 4 are true and correct.

The copy resulting from Print Preview is intended to be used as a reference copy only and MAY NOT be submitted to the FCC as an application for manual filing.

Attachment List

Attachment Type	Date	Description	Contents
Ownership	01/14/05	Exhibit 2	0179881259511579103512835.pdf
Other	01/14/05	Exhibit 3	0179881269511579103512835.pdf
Other	01/14/05	Exhibit 4	0179881279511579103512835.pdf
Other	01/14/05	Exhibit 5	0179881289511579103512835.pdf
Waiver	01/14/05	Exhibit 1	0179881369511579103512835.pdf
Waiver	03/21/05	Exhibit 1 Revised, Request for Waiver	0180028219511579103512835.pdf
Other	04/05/05	Exhibit 6, Court approval of settlement agreement	0180064529511579103512835.pdf
Other	04/05/05	Exhibit 7, Court approval of assignment of licenses	0180064539511579103512835.pdf
Other	04/05/05	Exhibit 8, Settlement agreement	0180064549511579103512835.pdf

**DESCRIPTION OF TRANSACTION,
PUBLIC INTEREST STATEMENT
AND
REQUEST FOR WAIVER
REVISED**

I. INTRODUCTION

Urban Comm-North Carolina, Inc., ("Urban NC"), licensee of 10 C-Block 30 MHz PCS licenses and 13 F-Block 10 MHz PCS licenses, and Celco Partnership d/b/a Verizon Wireless ("Verizon Wireless"), (Urban NC and Verizon Wireless together are the "Applicants") hereby seek Commission consent to assignment of the licenses listed below to Verizon Wireless. The proposed assignment does not involve any microwave point-to-point or international 214 authorizations. The proposed assignment of ten licenses to Verizon Wireless is part of a series of transactions outlined in two transfer of control applications filed by Urban NC on December 20, 2004. The steps associated with the instant transaction are as follows:

First, Urban NC filed a Form 603 application seeking consent to a *pro forma* transfer of control of Urban NC's immediate parent, Urban Comm-Mid-Atlantic, Inc. ("Urban MA"). Pursuant to that application, Urban MA will be merged with and into Urban NC. File No. 0001978620, December 20, 2004.

Second, Urban NC filed a Form 603 application seeking consent to a transfer of control of Urban NC to Triton PCS, Inc. ("Triton"), which will result in certain licenses currently held by Urban NC being transferred to the control of Triton. File No. 0001978782, December 20, 2004.

And, the final step is the instant application proposing the full or partial assignment of the ten licenses specified below to Verizon Wireless (the "Licenses"). The transaction contemplates that, prior to the consummation of the transfer of control of Urban NC to Triton, the Licenses at issue in this application shall have been assigned to Verizon Wireless, such that the licenses still held by Urban NC at the time of consummation of the transfer of control to Triton shall exclude those being assigned to Verizon Wireless.

There are no FCC filing fees associated with this application.

The Licenses were not obtained through competitive bidding procedures during the preceding three years. Accordingly, under 47 CFR § 1.2111(a), the parties are not required to include a copy of any purchase agreement in this application.

Due to a complex set of circumstances, spectrum licensed to Urban NC has not been used to

deliver commercial wireless communications to the public. Accordingly, this transaction will not affect any current Urban NC customers. The proposed transaction will enable that spectrum to be put into immediate commercial use to benefit wireless consumers. It will allow Verizon Wireless to expand its nationwide footprint and offer state of the art wireless products and services to serve the public in the relevant markets.

This transaction raises no competitive concerns for the Commission. It will not cause a reduction in existing competition and it will increase Verizon Wireless's spectrum holdings to no more than 55 MHz in any affected market. In most of the markets, Verizon Wireless will hold only 35 MHz.

As discussed below, consummation of the proposed transaction may require that certain rule waivers be granted. If so, the public interest will be well served by grant of the requested waivers and by approval of the proposed transaction.

II. DESCRIPTION OF THE APPLICANTS

A. Urban NC

Urban NC holds 10 C-Block PCS licenses obtained in FCC Auction No. 5, and 13 F-Block PCS licenses obtained in FCC Auction No. 11. Urban NC is a wholly owned subsidiary of Urban MA, which is wholly owned by Urban Communicators PCS Limited Partnership ("Urban LP"). On October 28, 1998, Urban NC filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, and Urban MA and Urban LP initiated similar proceedings shortly thereafter.¹ Those Bankruptcy Court proceedings are still pending, and the transactions contemplated by this application are part of a plan to successfully terminate those proceedings.

B. Verizon Wireless

¹ Urban NC, Urban MA and Urban LP (collectively, the "Debtors") are debtors and debtors-in-possession under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. Section 101 *et seq.*, as amended (the "Bankruptcy Code"), having commenced cases under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") on October 28 and November 5, 1998, respectively (collectively, the "Petition Date"), and such Chapter 11 cases are being jointly administered under Chapter 11 case *In re Urban Communicators PCS Limited Partnership*, Nos. 98-B-47996, 98-B-47997 and 98-B-10086 (REG) (the "Chapter 11 Cases").

Cellco is a general partnership that is jointly owned by Verizon Communications Inc. and Vodafone Group Plc ("Vodafone"). Cellco's qualifications to hold cellular and PCS licenses are a matter of public record, established and approved in various Commission decisions.² **Exhibit 2** provides detailed information regarding ownership of Cellco; this information also is contained in Cellco's Form 602, which is on file with the Commission.

The Commission has previously approved Vodafone's 45%, indirect, non-controlling interest in Cellco, as well as Vodafone's qualifications (as a foreign corporation) to hold indirect ownership interests in common carrier licensees, pursuant to section 310(b)(4) of the Communications Act.³ Vodafone continues to hold this 45% indirect interest. Neither Vodafone nor any of its foreign subsidiaries holds any direct ownership interests in any common-carrier licenses. Thus, no new foreign-ownership issues are raised by this filing, and the Commission can and should extend the previous section 310(b)(4) authorization to the Licenses included in this application.

Exhibit 3 provides information responsive to questions on Form 603 that seek information as to pending litigation involving the transferee. The responses to those questions, together with Exhibits 3 and 4, demonstrate that Verizon Wireless is fully qualified to acquire control of the Licenses that are the subject of this application.

III. DESCRIPTION OF THE TRANSACTION

A description of the entire proposed transaction is set forth in the applications seeking transfers

² See, e.g., *Applications of Northcoast Communications, LLC and Cellco Partnership d/b/a Verizon Wireless*, WT Docket No. 03-19, *Memorandum Opinion and Order*, 18 FCC Rcd 6490 (Comm'l Wireless Div. 2003) ("*Northcoast Order*"); Public Notice, "*Wireless Telecommunications Bureau and International Bureau Grant Consent for Assignment or Transfer of Control of Wireless Licenses and Authorizations from Price Communications Corporation to Cellco Partnership d/b/a Verizon Wireless*," DA 01-791 (rel. Mar. 30, 2001) ("*Price/Verizon Wireless Order*").

³ See *Northcoast Order* at ¶ 6 n.15 (finding that Vodafone's interest "ha[d] been previously approved by the Commission under section 310(b)(4)" and because "no changes have occurred in Verizon Wireless' foreign ownership since . . . these rulings[,] the applications raise no new foreign ownership issues"); *Applications of Vodafone AirTouch Plc and Bell Atlantic Corp.*, *Memorandum Opinion and Order*, 15 FCC Rcd 16507 at ¶ 19 (IB and WTB 2000) ("*Vodafone/Bell Atlantic Order*"); FCC Public Notice, "International Authorizations Granted," Report No. TEL-00174, DA No. 99-3033 (IB and WTB, rel. Dec. 30, 1999); *Applications of AirTouch Communications, Inc. and Vodafone Group, Plc.*, 14 FCC Rcd 9430 at ¶ 9 (WTB 1999).

of control of Urban NC. The Applicants will not repeat that description here, but incorporate it by reference. The instant application, the final step in the transaction described previously, is filed pursuant to an Agreement to Purchase FCC Licenses ("APFL"), dated as of December 22, 2004. The U.S. Department of Justice (the "DOJ") and the Commission reviewed the APFL prior to its execution by the Applicants.

The ten Licenses to be assigned consist both of full 30 MHz licenses and disaggregated 30 MHz licenses. The Licenses are as follows:

THE ASSIGNED FULL LICENSES

<u>Markets</u>	<u>Call Sign</u>	<u>Spectrum Amount</u>	<u>PCS Block</u>	<u>MHz</u>
Fayetteville-Lumberton, NC	KNLF374	30	C	H1975-1990, L1895-1910
Jacksonville, NC	KNLF377	30	C	H1975-1990, L1895-1910
Wilmington, NC	KNLF381	30	C	H1975-1990, L1895-1910

THE ASSIGNED DISAGGREGATED LICENSES

<u>Markets</u>	<u>Call Sign</u> ⁴	<u>Spectrum Amount</u>	<u>PCS Block</u>	<u>MHz</u>
Burlington, NC	KNLF373	10	C-5	H1985-1990, L1905-1910
Goldsboro Kingston, NC	KNLF375	20	C-4, C-5	H1980-1990, L1900-1910
Greenville-Washington,	KNLF376	20	C-4, C-5	H1980-1990, L1900-

⁴ With respect to the disaggregated C-Block PCS Licenses covering the Burlington and Raleigh-Durham BTAs, Urban NC shall be responsible for meeting the applicable coverage requirements for the entire license area, and in the case of the other Disaggregated Licenses, Verizon Wireless shall be responsible for meeting the applicable coverage requirements for the entire license area. Specifically, on Schedule B to Form 603, Question 7, the Applicants have answered "Yes" to Option 1 and "No" to Options 2 and 3 with respect to the Disaggregated Licenses covering the Burlington and Raleigh-Durham BTAs, and have answered "No" to Options 1 and 3 and "Yes" to Option 2 with respect to the other Disaggregated Licenses. The Applicants request that the Commission issue a new call sign for each license comprising disaggregated C-Block spectrum following consummation of the proposed transaction.

NC				1910
New Bern, NC	KNL378	20	C-4, C-5	H1980-1990, L1900-1910
Raleigh-Durham, NC	KNL372	10	C-5	H1985-1990, L1905-1910
Roanoke Rapids, NC	KNL379	20	C-4, C-5	H1980-1990, L1900-1910
Rocky Mount-Wilson, NC	KNL380	20	C-4, C-5	H1980-1990, L1900-1910

Each of the Licenses was granted more than five years ago, and the relevant five-year construction requirements set forth in Section 24.203 of the Commission's rules have been satisfied with respect to each of the Licenses. On November 16, 2004, Urban NC filed notification of construction applications for each of the Licenses. On December 6, 2004, Urban NC filed a Request for Tolling to allow the construction to be deemed to have been completed within the construction period.

Pursuant to the APFL, and subject to all appropriate Commission and Bankruptcy Court approvals, Urban NC shall assign the Licenses to Verizon Wireless, free and clear of all liens, claims and encumbrances. A portion of the purchase price shall be paid by Verizon Wireless directly to the Commission (or to the U.S. Government as directed by the Commission) in full payment and settlement of any and all indebtedness of Urban NC or Verizon Wireless to the Commission related to principal, interest, and late fees and all other debts, liabilities or obligations of any kind or nature whatsoever of Urban NC or its affiliates including, but not limited to, all payments payable under or in connection with 47 C.F.R. §§ 1.2111 and 24.714 that may be due with respect to the Licenses (the "FCC Direct Payment"). On March 14, 2005 Urban NC and the Commission entered into a Settlement Agreement that: (1) established the amount of the FCC Direct Payment, (2) resolved all issues and claims of the FCC in the Bankruptcy Court proceedings regarding the Licenses, (3) permitted a transfer of control of Urban NC to Triton, and (4) permitted an assignment of the Licenses to Verizon Wireless free and clear of all claims.⁵

On March 13, 2005, Urban NC filed an application with the Bankruptcy Court requesting approval of the Settlement Agreement.⁶ The Application for Approval points out that, on December 1,

⁵ Settlement Agreement, dated March 14, 2005, by and between Urban Communicators PCS Limited Partnership, Debtor-in-Possession, Urban Comm-Mid-Atlantic, Inc. Debtor-In-Possession, and Urban Comm-North Carolina, Inc., Debtor-In-Possession, and the Federal Communications Commission ("Settlement Agreement").

⁶ Application for an Order Pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure Authorizing and Approving the Terms and Conditions of Debtors' Proposed Settlement Agreement with

2004, the Bankruptcy Court entered an interim order approving the Triton transaction, and on January 24, 2005, the Bankruptcy Court entered an order authorizing the Verizon transaction.⁷ By order dated March 15, 2005, the Bankruptcy Court scheduled a hearing on the Application for Approval for March 24, 2005.

IV. COMMISSION APPROVAL OF THE PROPOSED TRANSACTION IS IN THE PUBLIC INTEREST

This transaction will serve the public interest in four principal ways. First, it will give Verizon Wireless the spectrum capacity it needs to provide its industry-leading voice service to new and existing subscribers. Second, the additional spectrum will enable Verizon Wireless to deploy its first-of-kind wireless broadband data service (known as EV-DO) more rapidly and more broadly. Third, the transaction will enable Verizon Wireless to operate more efficiently. Fourth, the transaction will increase the spectrum used to provide wireless services to consumers and will facilitate the successful resolution of bankruptcy proceedings involving Urban NC. The transaction accordingly advances two core goals of the Telecommunications Act of 1996 – promoting competition in all segments of the communications marketplace, and promoting the rapid deployment of advanced telecommunications capability.

A. Expanded Wireless Voice Services

The transaction will permit Verizon Wireless to enter and compete as a new facilities-based carrier in 29 counties. Those counties are contained in 6 BTAs.⁸ The transaction will also alleviate the spectrum constraints that Verizon Wireless will soon experience in some markets, and will allow the company to meet the growing demand for its services in other markets.⁹ The transaction will give Verizon Wireless additional spectrum in these markets, which will enhance its ability to accommodate new subscribers and to provide new services. This in turn will enable Verizon Wireless to continue competing vigorously – competition that will directly translate into benefits to consumers. The transaction accordingly furthers the same goals the Commission upheld when it allocated PCS spectrum

the Federal Communications Commission, Chapter 11 Case Nos. 98-B-47996, et al., March 13, 2005 (“Application for Approval”).

⁷ Application for Approval at 8-9.

⁸ **Exhibit 4** identifies the amount of spectrum Verizon Wireless currently holds in the ten markets covered by this transaction.

⁹ According to Lehman Brothers, Verizon Wireless currently has less spectrum relative to the traffic on its network than any of the other national wireless providers. See B. Bath, Lehman Brothers, *Wireless Services Industry Update: Spectrum Availability, Industry Implics.* at Figure 4 (June 17, 2004).

in 10 MHz blocks with the expectation that existing cellular carriers would obtain that spectrum to expand their spectrum capacity to 35 MHz in order to enhance their systems and compete in the market.¹⁰

B. New Wireless Broadband Services

Verizon Wireless also needs additional spectrum in which to deploy new wireless broadband services for which there is rapidly growing demand. Verizon Wireless is the first U.S. carrier to have launched what will become a nationwide high-speed wireless data network, and its entry has already prompted competitive responses from other carriers.¹¹ Offering speeds comparable to cable modem and DSL (average data rates of 300-500 kbps with peak data rates up to 2.4 Mbps), Verizon Wireless's EV-DO technology is the most sophisticated wireless broadband technology currently available.¹² Verizon Wireless launched EV-DO service in San Diego and Washington, DC in October 2003,¹³ and is currently expanding EV-DO service to many other markets coast to coast. It has committed to invest \$1 billion to rollout the service nationwide.¹⁴

¹⁰ See *Amendment of the Commission's Rules to Establish New Personal Communications Services*, GEN Docket No. 90-314, *Second Report and Order*, 8 FCC Rcd 7700, ¶¶ 97-111 (1993).

¹¹ See, e.g., Nextel Press Release, *Nextel Expands Successful Broadband Trial to Include Paying Customers and Larger Coverage Area* (Apr. 14, 2004) (Nextel has begun accepting paying customers for its Wireless Broadband service in the Raleigh-Durham/Chapel Hill area; the service offers downlink speeds of up to 1.5 Mbps with burst rates of up to 3.0 Mbps; typical uplink speeds are up to 375 kbps with burst rates of up to 750 kbps); Sprint Press Release, *Sprint Announces Plans to Extend Its Wireless Data Leadership with Launch of High-Speed Wireless Data Technology* (June 22, 2004) (Sprint will deploy EV-DO in select markets in second half of 2004, and launch in the majority of top metropolitan markets in 2005).

¹² B. Richards, *et al.*, CIBC World Markets, Investext Rpt. No. 7305232, Sierra Wireless Inc. – Company Report at *2 (Mar. 6, 2003) (EV-DO networks are “comparable to those of DSL and cable modems”).

¹³ Verizon Wireless Press Release, *Wireless Broadband Data Service Introduced in Major Metro Areas* (Sept. 29, 2003).

¹⁴ See Verizon News Release, *Verizon Wireless Makes Strides with Planned BroadbandAccess 3G Network Expansion* (Mar. 22, 2004) (Verizon is “on target” to expand its EV-DO offering to cover one-third of its network (approximately 75 million Americans) by the end of 2004. Verizon has committed to invest \$1 billion over the next two years to rollout the service nationwide.); Verizon Wireless Press Release, *Verizon Wireless and Lucent Technologies Launch EV-DO Data Services in Additional US Markets* (Sept. 23, 2004); Verizon Wireless Press Release, *Verizon*

Wireless broadband networks will make possible the provision of new and innovative services to end users, not only to mobile phones and laptop computers but also to car dashboards – services as diverse as maps, directions, music, full-featured mobile video phones; multimedia mobile messaging; and mobile emergency and safety applications such as remote patient monitoring and mobile robotics.

EV-DO, however, requires considerable spectrum capacity. A data session can require peak data rates that are 10-100 times greater than the peak data rates required to support a voice call. Put another way, data sessions will significantly increase the capacity demand on Verizon Wireless' network and spectrum resources. To be prepared to meet the network capacity needed in the future for burgeoning data demand, as well as the continued increase in voice traffic, Verizon Wireless needs to ensure it has sufficient spectrum to deploy. This transaction will provide Verizon Wireless with spectrum to offer EV-DO as well as other services.

C. Increased Efficiency

The proposed transaction will also help Verizon Wireless operate more efficiently. In the past, the growth of national carriers such as Verizon Wireless has correlated with a consistent trend toward lower prices, greater coverage, and expanded service offerings for wireless consumers.¹⁵

In markets that Verizon Wireless already serves, the new spectrum will help it avoid the inefficiencies associated with cell splitting, an engineering strategy that is growing increasingly difficult, time-consuming, and expensive, in part because of the need to obtain new sites and the zoning and other approvals for those sites. The new licenses will enable Verizon Wireless to add spectrum capacity to its existing network, which is much more efficient than cell-splitting. The Commission has repeatedly recognized that capturing such economics through spectrum acquisitions is in the public interest because

Wireless Launches "VCAST" – The Nation's First and Only Consumer 3G Multimedia Service (Jan. 7, 2005).

¹⁵ See *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Service* ("Ninth CMRS Competition Report"), FCC 04-216 (rel. Sept. 28, 2004), ¶¶ 222-223: "By a number of performance indicators, U.S. consumers continue to benefit greatly from robust competition in the CMRS marketplace. During 2003, the CMRS industry experienced another year of growth, demonstrating the continuing demand for and reliance upon mobile services. . . . [A] wide variety of indicators of carrier conduct and market structure also show that competition in mobile telecommunication markets is robust."

they lower prices, improve service quality, expand coverage and roaming capabilities, lower roaming rates, and accelerate deployment of state-of-the-art services. The Commission has also recognized the pro-competitive efficiencies that can be realized when carriers spread the cost of deploying network infrastructure, customer service and other operations over a larger customer base.¹⁶

D. Putting Spectrum to Use and Terminating Urban NC's Bankruptcy

Finally, the proposed transaction will advance the public interest by increasing the spectrum that will be used to provide wireless services to consumers. As the Commission is aware, for a complex set of reasons, the spectrum licensed to Urban NC has not been used to deliver wireless communications to the public. By placing that spectrum in the hands of Verizon Wireless, an experienced provider, the Commission will ensure that the spectrum will be put to use.¹⁷ Moreover, the acquisition of the licenses by Verizon Wireless is the cornerstone of Urban NC's successful reorganization. Approval thus advances the public interest long recognized by the Commission in facilitating the successful resolution of bankruptcy proceedings involving its licensees.¹⁸

V. THE TRANSACTION WILL NOT ADVERSELY AFFECT COMPETITION

The proposed transaction will produce the significant public interest benefits described above.

¹⁶ *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report and Analysis of Competitive Market Conditions With Respect to Commercial Mobile Services*, 17 FCC Rcd 12985, 12997 (2002) ("Seventh CMRS Competition Report") ("The Commission has concluded previously that operators with larger footprints can achieve certain economies of scale and increased efficiencies compared to operators with smaller footprints. Such benefits, along with advances such as digital technology, have permitted companies to introduce and expand innovative pricing plans such as digital-one-rate type plans, reducing prices to consumers.").

¹⁷ *See NextWave-Cingular Order* ¶ 32 (noting public interest benefit resulting from "spectrum that has been sitting idle for more than five years as a result of litigation . . . be[ing] put into use for the benefit of wireless consumers").

¹⁸ *See, e.g., Space Station System Licensee, Inc. and Iridium Constellation LLC*, 17 F.C.C.R. 2271, 2289 ¶ 44 (granting assignment applications when the grant "will serve the public interest by furthering the equitable purposes of the Federal Bankruptcy Act"); *In re Applications of Martin W. Hoffman, Trustee-In-Bankruptcy, For Astroline Communications Company Limited Partnership*, 15 F.C.C.R. 22,086 (2000) ¶ 14 (approving settlement agreement and renewing license when doing so would advance the public interest in "allowing for the termination of the . . . bankruptcy proceeding") (citing *LaRose v. FCC*, 494 F.2d 1145 (D.C. Cir. 1974)).

In addition, this transaction will have no countervailing adverse effect on competition.

The transaction will bring a new wireless competitor to 29 counties in six BTAs. For the first time Verizon Wireless will be able to compete head to head, in these counties bringing new products and services to benefit consumers. Its entry into these markets will intensify competition and thereby serve the public interest.

In all other markets, where it will acquire additional spectrum, Verizon Wireless will continue to face vigorous competition from numerous competitors. Because the spectrum licensed to Urban NC has not been used to deliver commercial wireless services, the transaction will not result in the elimination of an active competitor in any market, substantially eliminating any potential for competitive harm.¹⁹

Exhibit 5 lists those wireless carriers that, to the best of the Applicants' knowledge, are currently offering commercial service in each BTA where Verizon Wireless is acquiring additional spectrum, as well as those carriers that hold licenses but do not appear to be offering commercial service at this time. The exhibit shows that each of three other nationwide carriers – Sprint PCS, Cingular Wireless, and Nextel – have established operations in most of the affected BTAs. Verizon Wireless will also face additional competition in some markets from large regional carriers such as U S Cellular and ALLTEL, as well as from smaller regional carriers such as Triton PCS.

Finally, the transaction will not involve any competitively significant increase in Verizon Wireless's spectrum holdings in any relevant market area. Exhibit 4 lists the ten BTAs in which Verizon Wireless will obtain spectrum from Urban NC. It shows that there are three BTAs where there is no spectrum overlap. In the vast majority of the other BTAs, and in all the counties within those BTAs, the transaction will increase Verizon Wireless's spectrum holdings to 45 MHz or less. In two counties contained in the one remaining BTA (Fayetteville-Lumberton) Verizon Wireless's spectrum would increase to 55 MHz.

These post-transaction spectrum holdings are well within levels the Commission previously found not to raise the potential for competitive harm. In previous license transfer proceedings, the Commission approved similar spectrum acquisitions, finding that they did not "threaten[] competitive harm in the spectrum input market."²⁰ In all cases, Verizon Wireless' spectrum holdings after closing

¹⁹ See *NextWave-Cingular Order* ¶ 31 (noting that Commission independently investigated the possible competitive harm resulting from the loss of "potential competition" from NextWave and concluded that "given the level of actual competition prevailing in those markets today, we do not believe any adverse impact on mobile telephony rates or service will result").

²⁰ *Northcoast Order*, *supra* n. 1 (approving Verizon Wireless's acquisition of spectrum in 50 BTAs that would result in Verizon Wireless holding 35 MHz or less in 44 BTAs and between 45 and

this transaction will not exceed 55 MHz and thus will be consistent with – and in most cases less than – the Commission’s previous spectrum caps, which were the levels that, in the Commission’s judgment, did not raise any competitive concerns.²¹

Moreover, in all of the markets where it is acquiring licenses from Urban NC, Verizon Wireless will hold substantially less than the spectrum aggregation levels that the Commission approved in the *AT&T-Cingular Order*. The Commission stated that, in line with the “conservative approach” it was taking for its competition analysis, using a 70 MHz threshold “would eliminate from further consideration any market in which there is no potential for competitive harm.”²² It determined that there was no need to subject to further review any market where the level of spectrum to be held would not exceed 70 MHz. It found that “a market may contain more than three viable competitors even where one entity controls this amount of spectrum, because many carriers are competing successfully with far lower amounts of bandwidth today.”²³ It went on to authorize Cingular to hold as much as 80 MHz in certain markets based on its evaluation of the competitive conditions in those markets.

Since Verizon Wireless will hold no more than 55 MHz in any market after this transaction – and significantly less in most – the proposed transfers of control clearly present no competitive concerns. Moreover, the wireless competitive issues that the Commission addressed in the *AT&T-Cingular* proceeding resulted from the fact that an established competitor in many markets across the country would be merged into another existing provider, thereby removing one competitor altogether, while also significantly increasing the market share of the other. The Urban NC - Verizon Wireless transaction, in contrast, presents no such consolidation. It will neither eliminate an existing competitor

55 MHz in the remaining 6 BTAs); *see also ALLTEL/CenturyTel Order*, *supra* n. 25 (approving ALLTEL’s acquisition of numerous 10 MHz PCS licenses that overlapped with its existing 25 MHz cellular licenses).

²¹ See, e.g., *Price/Verizon Wireless Order* (approving spectrum aggregation of 55 MHz of combined cellular and PCS spectrum in Jacksonville MTA); *360/ALLTEL Order*; Public Notice, “Wireless Telecommunications Bureau Grants consent for The Transfer of Control of Licenses from CenturyTel, Inc. to ALLTEL Communications,” DA 02-1366 (rel. June 12, 2002) (“*ALLTEL/CenturyTel Order*”) (approving ALLTEL’s acquisition of multiple cellular and PCS licenses, including eight BTAs where there was overlap between a 25 MHz cellular license and a 10 MHz PCS license); *Applications of Vanguard Cellular Systems, Inc. and Winston, Inc.*, *Memorandum Opinion and Order*, 14 FCC Rcd 3844 (WTB 1999) (authorizing acquisition of overlapping cellular and PCS spectrum holdings in various markets).

²² *AT&T-Cingular Order* ¶ 109.

²³ *Id.*

nor increase Verizon Wireless's market share in any market. In fact, this transaction will add a new competitor in 6 BTAs.

For the foregoing reasons, grant of this application will fully comply with all Commission rules, will be consistent with the Commission's actions in other proceedings, and will serve the public interest.

V. REQUEST FOR WAIVER OF THE PAYMENT PROVISIONS OF SECTIONS 24.714 AND 1.2111 OF THE COMMISSION'S RULES AND THE TIMING PROVISIONS OF SECTION 24.714

A portion of the purchase price in the proposed transaction (i.e. the FCC Direct Payment) will be paid directly to the FCC in full satisfaction of Urban NC's debt to the government relating to the Licenses. The amount of the FCC Direct Payment has been determined through arms'-length negotiations between Urban NC and the Commission, which has led to the execution of the Settlement Agreement resolving their respective claims relating to the Licenses. Pursuant to the Settlement Agreement, the FCC Direct Payment will be \$43, 676,775.09, plus interest accruing from and including January 1, 2005.²⁴ As such, the FCC Direct Payment reflects a negotiated settlement between the Commission and Urban NC as to claims regarding the Licenses. Under the APFL, certain conditions must be satisfied before Verizon Wireless will be required to perform its obligation to consummate the proposed transaction. Among these is a condition that "upon the FCC's receipt of the FCC Direct Payment the Assigned Licenses and Disaggregated Licenses [the Licenses in this application] shall be free and clear of Liens."

The Applicants respectfully request that the Commission, as part of its approval of the instant application, either grant waivers of Sections 1.2111 and 24.714 of its rules to the extent such waivers are necessary to consummate the proposed transaction, or explicitly state that delivery of the FCC Direct payment as contemplated in the APFL (including the timing for such FCC Direct Payment) constitutes full payment, and satisfies all conditions, required under Sections 1.2111 and 24.714. If the Commission determines that waivers are needed, the Applicants submit that the requested waivers are fully justified under Section 1.925(b)(3) of the Commission's rules and the applicable precedent as shown below.

For full transfers or assignments of spectrum licenses, Section 1.2111 of the Commission's rules places the obligation on the assignor to ensure that the Commission receives full payment.²⁵ In the

²⁴ The interest payment is subject to additional terms set forth in the Settlement Agreement.

²⁵ 47 C.F.R. § 1.2111(c)(1) ("If a licensee that utilizes installment financing under this section seeks to assign or transfer control of its license to an entity not meeting the eligibility standards for installment

context of the proposed transaction, the Commission's rules therefore place the responsibility of payment for the transfer of the Assigned Full Licenses on Urban NC. To the extent that the FCC Direct Payment does not satisfy Urban NC's obligation, Urban NC requests a waiver of the rule in order to consummate the transaction described in this application.

In transactions involving disaggregation, under Section 24.714(c) of the Commission's rules, the outstanding balance owed by the licensee is apportioned between the licensee (Urban NC) and the disaggregatee (Verizon Wireless), with each party being responsible for its proportionate share.²⁶ The Applicants submit that applying the FCC Direct Payment to these obligations fully satisfies the Applicants' responsibilities, and thus no waiver of the full payment provisions of Section 24.714 is necessary. However, to the extent the Commission may calculate the required payment for the disaggregated licenses to be greater than the FCC Direct Payment, the Applicants request a limited waiver of Section 24.714 to the extent the FCC Direct Payment may be less than the required payment.

With respect to the contemplated timing of the FCC Direct Payment, under the APFL, Verizon Wireless's obligation to consummate the transaction is conditioned, among other things, upon the Commission's approval becoming a Final Order (as defined in the APFL). Because it is impossible for the Commission's approval to become a Final Order within 30 days of its issuance, the Applicants request that the Commission expressly waive the 30-day requirement of Section 24.714(c)(2)(ii) to allow for the FCC Direct Payment to be made on the date of consummation, as contemplated by the APFL.²⁷

Grant of the requested limited waivers is consistent with the *NextWave-Cingular* ruling, because, in this instance, as in that case, the Commission is again receiving a significant payment that will fully satisfy the Applicants' obligations to pay the principal amount owed, although not all of the interest and late fees owed.²⁸ Moreover, this is a situation in which the proffered payment has been deemed

payments, the licensee must make full payment of the remaining unpaid principal and any unpaid interest accrued through the date of assignment or transfer as a condition of approval."). *See also Applications for Consent to the Assignment of Licenses Pursuant to Section 310(d) of the Communications Act from NextWave Personal Communications, Inc., Debtor-in-Possession, and NextWave Power Partners, Inc., Debtor-in-Possession, to subsidiaries of Cingular Wireless LLC, Memorandum Opinion & Order, 19 FCC Rcd 2570 (2004) ("NextWave-Cingular") at ¶ 36.*

²⁶ 47 C.F.R. § 24.714(c). *See also NextWave-Cingular* ¶ 37.

²⁷ *Id.*

²⁸ *NextWave-Cingular* ¶ 43.

acceptable by the DOJ pursuant to a negotiated agreement with Urban NC.²⁹ Finally, the Commission has expressly determined that such a waiver “is entirely within our discretion, and consistent with our obligations to balance various competing public interest considerations under the Communications Act ...³⁰

Given this set of circumstances, therefore, the Applicants respectfully request that, to the extent necessary, the Commission grant a limited waiver of the payment provisions of Sections 24.714 and 1.2111 of the Commission’s rules to Urban NC, as well as a waiver of the timing requirements of Section 24.714 in order to allow the Applicants to consummate the transaction.

As set forth above, the instant waiver request is directly on point with the *NextWave-Cingular* decision. The Urban NC litigation has followed precisely the factual pattern of NextWave in all material respects. Like NextWave, Urban NC was the high bidder for C-Block licenses in Auction 5 and F-Block licenses in Auction No. 11, and like NextWave, on October 28, 1998, Urban NC filed for protection under Chapter 11 of the Bankruptcy Code. On December 6, 2004, Urban NC filed with the Wireless Telecommunications Bureau a request for tolling relief with respect to the Licenses. Urban NC anticipates that this request, relying upon the *NextWave Tolling* decision,³¹ will be granted shortly. Thus, in this regard also, Urban NC is similarly situated with NextWave.

Accordingly, the Applicants respectfully request grant of any waivers incidental to the Commission’s consent to the instant application.

VI. CONCLUSION

For the foregoing reasons, grant of this application and any necessary waivers will fully comply with all Commission rules, will be consistent with the Commission’s actions in other proceedings, and will serve the public interest.

²⁹ *Id.*

³⁰ *Id.*

³¹ *NextWave Personal Communications Inc. and NextWave Power Partners Inc., Petition for Declaration of Broadband PCS Construction Deadline; or in the Alternative, for Waiver and Extension of First Construction Deadline*, 18 FCC Rcd 3235 (2003) (“*NextWave Tolling*”).

RESPONSE TO QUESTION 73

The Applicant, Cellco Partnership d/b/a Verizon Wireless ("Cellco"), is ultimately owned and controlled by Verizon Communications Inc. ("Verizon") and Vodafone Group Plc ("Vodafone"). Verizon, a Delaware corporation, owns 55% of Cellco; Vodafone, a company organized under the laws of the United Kingdom, owns 45%. Control of Cellco is vested in a Board of Representatives, which in turn is controlled by Verizon. In sum, Verizon is the majority owner and possesses sole affirmative control of Cellco. Vodafone's interest in Cellco, and its qualifications (as a foreign corporation) to hold indirect ownership interests in common carrier licenses have been previously authorized by the FCC under Section 310(b)(4) of the Communications Act.¹ Neither Vodafone nor any of its foreign subsidiaries hold any direct ownership interest in any common carrier licenses. This filing raises no new foreign ownership issues.

Since the Commission approved the foreign ownership of Cellco Partnership as outlined above in this exhibit, there have been no changes in that foreign ownership.

¹ See *In re Applications of Vodafone AirTouch Plc and Bell Atlantic Corporation, For Consent to the Transfer of Control or Assignment of Licenses and Authorizations, Memorandum Opinion and Order*, DA 00-721 at ¶ 19 (IB/WTB, rel. Mar. 30, 2000); FCC Public Notice, "International Authorizations Granted," Report No. TEL-00174, DA No. 99-3033 (Intl. Bur., rel. Dec. 30, 1999); *In re AirTouch Communications, Inc., Transferor, and Vodafone Group, Plc, Transferee, For consent to the Transfer of Control of Licenses and Authorizations, Memorandum Opinion and Order*, 14 FCC Rcd 9430, ¶ 9 (WTB 1999).

PENDING LITIGATION**(Response to Question 77)****Patricia Brown v. Verizon Wireless Services LLC (U.S. District Court, Southern District of Florida)**

This putative Florida state class action was served on Verizon Wireless Services LLC on June 1, 2004. The complaint alleges claims for violation of the Florida Deceptive and Unfair Trade Practices Act based on (i) the alleged imposition of unlawful and arbitrary penalty clauses in connection the early termination of service contracts and (ii) the alleged locking of cell phone handsets to make it impossible or impracticable for customers to switch cell phone providers without purchasing a new handset. The complaint seeks an injunction prohibiting Verizon Wireless from engaging in these practices, compensatory damages, and disgorgement. The case has been remanded to state court. On January 12, 2005, Verizon Wireless moved to stay or dismiss the action in favor of arbitration.

Calling All Cellular, Inc. v. Paging Concepts, Ltd., Adam Gitlitz, and Celco Partnership d/b/a Verizon Wireless a/k/a Verizon Wireless Services, LLC (US District Court, District of New Jersey)

This complaint by a Verizon Wireless agent alleges misrepresentation, unjust enrichment, discrimination, and violation of the Telecommunications Act, tortious interference, unfair competition and violation of state antitrust laws. Plaintiff seeks to recover \$2 million. Verizon Wireless has moved for partial summary judgment and to dismiss certain claims. The motions have been fully submitted.

Cleveland Mobile Radio Sales, Inc. v. Verizon Wireless VAW LLC, et al. (Court of Common Pleas, Cuyahoga County, Ohio)

This action was filed by a former AirTouch agent against Verizon Wireless a/k/a New Par, Verizon Wireless (VAW) LLC, Airtouch Cellular Eastern Region, LLC, and others on February 19, 2004. The complaint alleges claims for unjust enrichment, disgorgement, tortious acquisition, and tortious interference with business contracts based on defendants' alleged illegal restraint of competition in Ohio's wireless markets. The complaint seeks statutory damages, injunctive relief, an accounting, actual damages in excess of \$3 million, punitive damages, attorneys' fees and costs. Plaintiffs filed an amended complaint on September 21, 2004. Verizon Wireless filed a motion to dismiss on October 8, 2004.

Michael Freeland, on behalf of himself and others similarly situated v. AT&T Corporation, et al., U.S. District Court, Northern District of California

Plaintiffs filed this putative nationwide class action complaint on August 18, 2004 against Cellco Partnership d/b/a Verizon Wireless and other wireless carriers alleging tying arrangements, conspiracy to restrain trade, conspiracy to monopolize, and contracts in restraint of trade. Plaintiffs seek injunctive relief, compensatory damages, attorneys' fees and costs. The Judicial Panel for Multi-district litigation transferred the case to the Southern District of New York for consolidation with the other actions pending before Judge Cote under MDL proceeding 1513, *In re: Wireless Telephone Antitrust Litigation*. On December 30, 2004, defendants opposed plaintiffs' motion for a scheduling order and moved to dismiss the complaint on procedural grounds, or alternatively moved for a stay.

In re Cellphone Termination Fee Cases, Judicial Council Coordination Proceeding No. 4332 (Superior Court of the State of California, Alameda County)

Marlowe, J., et al. v. AT&T Corp., et al., filed on July 23, 2003 in Superior Court of California, Alameda County, and *Advanced Systems Integrated v. Cellco Partnership d/b/a Verizon Wireless* and *Christine Nguyen v. Cellco Partnership d/b/a Verizon Wireless*, both filed against Cellco in the same court, have been ordered for coordinated pretrial proceedings by the California Judicial Council in *In re Cellphone Termination Fee Cases*, Judicial Council Coordination Proceeding No. 4332. In these coordinated proceedings, plaintiffs challenge the business practices of all major wireless carriers relating to the imposition of early termination fees and the use of software that allegedly prevents the Company's handsets from being used with the service of competing carriers. With respect to Verizon Wireless, plaintiffs assert on behalf of a putative California class of Verizon Wireless subscribers that these practices are unenforceable, unlawful and unfair in violation of California Civil Code §1671 and §1750, and violate California's unfair competition law and California Business and Professions Code §17200. On November 19, 2004, the Court denied plaintiffs' motion for judgment on the pleadings striking the preemption defense and granted Verizon Wireless's motion to stay the handset locking claims pending finalization of *Campbell* settlement. Defendants' opposition to the class certification motion is due January 18, 2005. Verizon Wireless's

MDL 1513 – In re Wireless Telephone Services Antitrust Litigation (US District Court, Southern District of New York) (formerly reported as Brook, et al. v. AT&T Cellular Services, Inc., et al. (U.S. District Court, Southern District of New York) (lead plaintiff previously was the Wireless Consumers Alliance); Beeler, et al. v. AT&T Cellular Services, Inc., et al., (U.S. District Court, Northern District of Illinois, Eastern Division); Millen, et al. v. AT&T Wireless PCS, LLC, et al. (U.S. District Court, District of Massachusetts); Morales, et al. v. AT&T Wireless PCS, LLC, et al., (U.S. District Court, Southern District of Texas); Truong, et al. v. AT&T Wireless PCS, LLC, Cellco Partnership d/b/a Verizon Wireless, GTE Mobilnet of California LP, et al. (U.S. District Court, Northern District of California))

Between April and September 2002, plaintiffs filed five putative class actions in the jurisdictions noted above against various Verizon Wireless entities and other wireless service providers. The *Brook* action, initially filed under the caption *Wireless Consumers Alliance, Inc. v. AT&T Cellular Services, Inc., et al.*, was commenced on April 5, 2002 in the United States District Court for the Southern District of New York. On March 12, 2003, the Judicial Panel on Multidistrict Litigation transferred all the cases to the United States District Court for the Southern District of New York for coordination and consolidation of pretrial motion practice and discovery under the caption *MDL 1513 – In re Wireless Telephone Services Antitrust Litigation*. By order dated August 11, 2003, the District Court consolidated the five related cases and designated the amended complaint in *Brook* as the consolidated complaint for all five actions. Plaintiffs assert two claims under the antitrust laws for monopolization and illegal tying based on the defendants' alleged practices of "bundling" of wireless phones and wireless service. Plaintiffs seek compensatory damages, trebling pursuant to 15 U.S.C. §15(a), and injunctive relief permanently enjoining defendants from engaging in any further alleged unlawful and anticompetitive practices. By order dated October 6, 2004, the court denied plaintiffs' motion for leave to amend the complaint to add a conspiracy claim. Discovery is continuing.

Opperman, etc. et al. v. Cellco Partnership, etc. et al (Superior Court of the State of California, County of Los Angeles); Zhao v. Verizon Wireless, Inc. (Ohio Court of Common Pleas, Cuyahoga County)

These two purported class actions (Opperman alleges a California class and Zhao alleges a nationwide class) have been filed but not served. These cases assert similar claims for deceptive trade practices and fraud relating to Verizon Wireless's advertising and sale of the Motorola v710 handset. The complaint seeks restitution, exemplary and punitive damages, injunction relief, attorney's fees and costs.

Professional Cellular, Inc. d/b/a Everything Wireless and Portable Communications, Inc. v. Verizon Wireless Texas, LLC d/b/a Verizon Wireless and GTE Mobilnet of South Texas Limited Partnership (American Arbitration Association, Houston, Texas)

Agent plaintiffs filed this action with the American Arbitration Association on August 12, 2004. The petition asserts numerous causes of action for breach of contract, fraud, misrepresentation, promissory estoppel, tortious interference, violation of Texas DTPA statute, negligence and duress arising from defendants' allegedly abusive, malicious and outrageous conduct in its agency relationship with plaintiff. Plaintiffs seek actual, consequential and punitive damages, reformation of contract, attorneys' fees and costs. Defendant filed their response on September 16, 2004.

Cindy Satterfield nka Highland Speech Services Inc. on behalf of themselves and all others similarly situated et al. v. Ameritech Mobile Communications Inc.; Cincinnati SMSA Limited

Partnership; Verizon Wireless aka New Par; Airtouch Cellular (Eastern Region, Court of Common Pleas, Cuyahoga County, State of Ohio)

Plaintiff filed this putative class action lawsuit on behalf of former New Par and Ameritech Mobile customers allegedly injured by New Par's alleged illegal wholesale rates between 1993 and 1998. Plaintiff seeks disgorgement on the ground that defendants' "anti-competitive conduct proximately caused retail cellular prices to be artificially inflated" and "prevented other resellers from entering the Ohio markets." A motion to dismiss is fully briefed.

Wireless World Communications, Inc. et al. v. Verizon Wireless (VAW), LLC etc. (Los Angeles County Superior Court, California)

This putative nationwide class action is brought on behalf of independent cellular telephone dealers selling cellular telephone handsets and telephone services to California consumers. The suit alleges unfair business practices and seeks unspecified compensatory damages, treble damages and injunctive relief. Plaintiffs' complaint was dismissed by the Superior Court on the ground that it fails to state a claim for unfair competition under California Business Practices Code Section 17200. Plaintiffs have filed their opening appellate brief. Verizon Wireless's opposition brief is due on February 4.

Zobrist, et al. v. Verizon Wireless, Cellco Partnership and Verizon Communications Inc. (State of Illinois Appellate Court, Fifth District)

This putative Illinois state class action was filed against Verizon Wireless, Cellco Partnership, and Verizon Communications Inc. on August 9, 2002. The complaint alleges claims for breach of contract and statutory fraud based on defendants' billing of an "Early Cancellation Fee" when plaintiffs cancelled their agreement before the end of their service term. Plaintiff alleges that Verizon Wireless charges this fee illegally and should instead determine its actual damage (if any) resulting from the customer's cancellation. The complaint seeks unspecified monetary damages. Verizon Communications has been dismissed from the lawsuit. By order dated December 29, 2004, the Appellate Court for the Fifth District reversed the judgment of the Circuit Court of Madison County denying Verizon Wireless's motion to compel arbitration and granted Verizon Wireless's motion to compel arbitration and stay judicial proceedings.

SPECTRUM OVERLAPS
Cellco – Urban Communications Transaction

BTA Name	Counties	Cellco Current MHz	Urban Comm. MHz	Total Cellco MHz After Urban Comm. Acquisition
Burlington, NC	Alamance	35	10	45
Fayetteville- Lumberton, NC	Bladen	0	30	30
	Cumberland	25	30	55
	Hoke	0	30	30
	Moore	0	30	30
	Robeson	0	30	30
	Sampson	0	30	30
	Scotland	25	30	55
Goldsboro-Kinston, NC	Duplin	0	20	20
	Greene	0	20	20
	Lenoir	0	20	20
	Wayne	0	20	20
		0	20	20
Greenville- Washington, NC	Beaufort	10	20	30
	Bertie	10	20	30
	Hyde	10	20	30
	Martin	10	20	30
	Pitt	10	20	30
	Tyrrell	10	20	30
	Washington	10	20	30
Jacksonville, NC	Onslow	0	30	30
New Bern, NC	Carteret	0	20	20
	Craven	0	20	20
	Jones	0	20	20
	Bern	0	20	20
	Pamlico	0	20	20

BTA Name	Counties	Cellco Current MHz	Urban Comm. MHz	Total Cellco MHz After Urban Comm. Acquisition
Raleigh-Durham, NC	Chatham	0	10	10
	Durham	25	10	35
	Franklin	0	10	10
	Granville	0	10	10
	Harnett	0	10	10
	Johnston	0	10	10
	Lee	0	10	10
	Orange	25	10	35
	Person	0	10	10
	Vance	0	10	10
	Wake	25	10	35
	Warren	0	10	10
Roanoke Rapids, NC	Halifax	10	20	30
	Northampton	10	20	30
Rocky Mount- Wilson, NC	Edgecombe	10	20	30
	Nash	10	20	30
	Wilson	10	20	30
Wilmington, NC	Brunswick	0	30	30
	Columbus	0	30	30
	New Hanover	0	30	30
	Pender	0	30	30

Wireless Licensees by Basic Trading Area (BTA)¹



One or more of the licensees is currently providing service in part or all of the license area.

BTA Name (BTA#)	Cellular Block A	Cellular Block B	PCS Block A	PCS Block B	PCS Block C	PCS Block D	PCS Block E	PCS Block F	ESMR
Burlington, NC (62)	Verizon Wireless	Alltel	Cingular	Cingular	Urban Comm (Triton PCS 20 MHz Pending Application)	Sprint	Alltel	Verizon Wireless	Nextel
Fayetteville, Lumberton, NC (141)	US Cellular VZW Wireless	Alltel	Sprint Triton PCS (20)	Cingular	Urban Comm	Sprint	Alltel	Triton PCS	Nextel
Greenville, NC (176)	US Cellular	Alltel	Cingular Triton PCS (20)	Cingular	Urban Comm (Triton PCS 10 MHz Pending Application)	Sprint	Alltel	Verizon Wireless	Nextel
Raleigh-Durham, NC (368)	US Cellular VZW Wireless	Alltel	Sprint Cingular (20)	Cingular	Urban Comm (Triton PCS 20 MHz Pending Application)	Sprint	Alltel	Comscape	Nextel
Roanoke Rapids, NC (377)	US Cellular	Alltel	Cingular Triton PCS (20)	Cingular	Urban Comm (Triton PCS 10 MHz Pending Application)	Sprint	Alltel	Verizon Wireless	Nextel

¹ Metropolitan Statistical Areas (MSAs) and Rural Service Areas (RSAs) used for assigning Cellular A & B licenses do not coincide exactly with BTAs, therefore licenses assigned via MSA or RSA may overlap another BTA. As a result, the licenses listed under cellular block (A or B) do not compete against other cellular licenses in their block, rather each is licensed to serve a separate geographic region of the pertinent BTA and competes against the other cellular carrier and operating PCS and ESMR carriers in the BTA. This information was compiled from publicly available sources.

BTA Name (BTA#)	Cellular Block A	Cellular Block B	PCS Block A	PCS Block B	PCS Block C	PCS Block D	PCS Block E	PCS Block F	ESMR
Rocky Mount, NC (382)	US Cellular	Alltel	Cingular Triton PCS (20)	Cingular	Urban Comm (Triton PCS 10 MHz Pending Application)	Sprint	Alltel	Verizon Wireless	NexTel

Sources: FCC, *Universal Licensing System: Market Based License Search.*

Coverage maps from licensee web sites used to determine whether licensees provided service the listed BTA's.

Verizon Wireless: http://www.verizonwireless.com/b2c/store/controller?item=planFirst&action=viewLocalPlanOverview&cm_re=Home%20Page*Top%20Nav*Plans-LocalPlans

AT&T Wireless: <http://www.attwireless.com/personal/plans/plans.ihtml?d=true>

Nextel: <http://www.nextel.com/cgi-bin/localMarketMap.cgi?zip=10036>

Sprint PCS:

http://www1.sprintpcs.com/explore/coverage/ServiceAreaDetail.jsp?FOLDER%3C%3Efolder_id=1571391&CURRENT_USER%3C%3EATR_SCID=ECOMM&CURRENT_USER%3C%3EATR_PCode=None&CURRENT_USER%3C%3EATR_cartState=group&bmUID=1089905354670

T-Mobile: <http://www.t-mobile.com/coverage/?class=coverage>

Cingular: http://onlinestore.cingular.com/html/Maps/Northeast/NYC/region_nyc.htm

Triton PCS: <http://www.suncom.com/>

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Attorneys for Urban Communicators PCS Limited
Partnership, et al., Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----x
In re: : Chapter 11 Case
: Nos. 98-B-47996,
: 98-B-47997 and
URBAN COMMUNICATORS PCS LIMITED : 98-B-10086 (REG)
PARTNERSHIP, et al., :
: JOINTLY ADMINISTERED
Debtors. :
:-----x 99-8125A

**ORDER PURSUANT TO RULE 9019 OF THE
FEDERAL RULES OF BANKRUPTCY PROCEDURE
APPROVING AND AUTHORIZING TERMS AND CONDITIONS
OF THE PROPOSED SETTLEMENT AGREEMENT
WITH THE FEDERAL COMMUNICATIONS COMMISSION**

Upon the Application of Urban Communicators PCS Limited Partnership, et al., Debtors-in-Possession (the "Debtors"), for an Order, pursuant to Sections 102 and 1107 of the Bankruptcy Code and Rules 2002(a)(3), 9019(a), and 9006(c)(1) of the Federal Rules of Bankruptcy Procedure, (i) approving and authorizing the terms and conditions of the proposed Settlement Agreement with the Federal Communications Commission (the "FCC"), including the terms and conditions of the Mutual Releases and the Disposition of Unsold Licenses (the "Settlement Agreement") and (ii) the Debtors' execution, delivery and performance of the Settlement Agreement (the "Application"); the Court having heard Charles E. Simpson, Esq., of Windels Marx

Lane & Mittendorf, LLP, attorneys for the Debtors, and Jeannette Vargas, Esq., of the U.S. Department of Justice, U.S. Attorney's Office for the Southern District of New York, attorneys for the FCC, both in support of the Application; any and all parties having been given the opportunity to be heard; upon due deliberation thereon, and good and sufficient cause having been shown, the Court hereby:

FINDS, DETERMINES AND CONCLUDES THAT

1. This Court has jurisdiction to hear and determine the Application pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding under 28 U.S.C. § 157(b)(2)(A).

2. Proper, timely, adequate and sufficient notice of the Application has been provided in accordance with Rules 2002, 9006(c)(1) and 9019 of the Federal Rules of Bankruptcy Procedure.

3. A reasonable opportunity to object and to be heard with respect to the Application and the relief requested therein has been afforded to all parties in interest, including the following: (i) the Office of the United States Trustee; (ii) all of the Debtors' creditors, equity and other interest holders of record; (iii) all entities known by the Debtors to have asserted any lien in or upon any of the Debtors' assets; and (iv) all other parties that have filed a notice of appearance and demand for service of papers in these chapter 11 cases under Bankruptcy Rule 2002 as of the date of this Application.

4. Each of the Debtors has the right, full corporate power, legal capacity and authority to execute the Settlement

Agreement and all other documents contemplated thereby, and the Debtors' satisfaction of their indebtedness to the FCC and the granting of the mutual releases pursuant to the Settlement Agreement has been duly and validly authorized by all necessary corporate action of the Debtors. Each of the Debtors has the right, full corporate power, legal capacity and authority necessary to consummate the transactions, settlements and releases contemplated by the Settlement Agreement, and, except for any and all reservations of the FCC's regulatory powers and process set forth in this Order or in the Settlement Agreement, no consents or approvals, other than approval of this Court and any compliance required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, are required by Debtors to consummate the transactions, settlements and releases contemplated therein.

5. Approval at this time of the Settlement Agreement and the consummation of the transactions contemplated therein is in the best interests of Debtors, their creditors and their estates.

6. The terms and conditions of the Settlement Agreement are fair and reasonable.

7. The Settlement Agreement has been pursued by Debtors in contemplation of their expected reorganization, and will facilitate Debtors' attempts to reorganize pursuant to Chapter 11 of the Bankruptcy Code.

8. The Settlement Agreement and the releases contained therein and approved hereby were negotiated, proposed and entered into by the Parties without collusion, in good

faith, and at arm's length. The releases set forth in the Settlement Agreement by and between the Debtors, the Urban Comm Claimants, and the Other Claimants, on the one hand, and the FCC and the United States, on the other hand, and approved herein, are to be binding through this Order on the Debtors, the FCC, the United States, and all of the Debtors' creditors, equity and other interest holders.

9. Approval of the Settlement Agreement, without modification, by this Court in this Order is a precondition to the Closing of any Sale Agreement, including without limitation both the Triton Sale and the Verizon Sale.

10. Bankruptcy Rule 9019(a) authorizes a court to approve a compromise or settlement when it is in the best interests of the estate. In re Ashford Hotels, Ltd., 226 B.R. 797, 802 (Bankr. S.D.N.Y. 1998). Fair and equitable settlements are to be encouraged and thus should be approved unless they "fall below the lowest point in the range of reasonableness." In re W.T. Grant Co., 699 F.2d 599, 608 (2d Cir. 1983).

11. The resolution embodied in the Settlement Agreement satisfies these standards, and represents a fair and equitable settlement that will enable the Debtors and the FCC to resolve the disputes between them without resorting to additional litigation. The Debtors have negotiated the Settlement Agreement in good faith and believe it exceeds the "lowest range of reasonableness" of the results they could have obtained in litigation, which would have been time-consuming and expensive.

12. The Court has apprised itself of all facts necessary to reach an informed and objective opinion regarding the probable outcomes should the various matters resolved by the Settlement Agreement and the releases contained therein and approved hereby be litigated. In that regard, the Court has made an educated estimate of the complexity, expense and likely duration of such litigation, the possible effects such litigation may have on the ability of the Debtors to reorganize, and all other factors that are relevant to a determination of whether the Settlement Agreement and the attendant releases contained therein constitute a full and fair compromise. See Protective Committee for Ind. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424-25 (1968).

13. In assessing the compromise and settlement reflected by the Settlement Agreement and the releases contained therein, the Court has given weight to the informed judgment of the Debtors and the FCC that the compromise and settlement reflected by the Settlement Agreement and the attendant releases is fair and equitable, and considered the competency and experience of the counsel who support the Settlement Agreement.

14. The consummation and implementation of the Settlement Agreement, the terms and conditions of the Settlement Agreement, and the mutual releases contained therein are an important and necessary component of, and in furtherance of, the Debtors' reorganization and ultimate plan of reorganization or other distribution to Debtors' creditors, and the parties would not have been able to reach a settlement without agreement on

the granting of the releases. The settlement embodied in the Settlement Agreement and the releases provided therein are a material benefit to the Debtors, their estates, and their creditors, equity and other interest holders.

15. Accordingly, the proposed resolution of the claims between the FCC and the Debtors with respect to the Licenses as detailed in the Settlement Agreement is fair and equitable and is in the best interest of the Debtors' estates.

16. All of the provisions of this Order and the Settlement Agreement are nonseverable.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND AGREED THAT:

1. The Application is hereby in all respects
GRANTED.

2. The Settlement Agreement, and all of the terms, conditions and transactions contemplated thereby, including the grant of the mutual releases and the binding effect of such releases on the Other Claimants, be, and hereby is, authorized and approved in all respects.

3. Each of the Debtors is hereby authorized and directed to execute, perform under, consummate and implement the Settlement Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to consummate the transactions contemplated therein, and to take

all further actions as may be reasonably necessary or desirable to implement the Settlement Agreement.

4. This Order does not, and is not intended to, set forth every provision of the Settlement Agreement, but each and every provision of the Settlement Agreement is hereby ORDERED and approved by this Court.

5. Except as otherwise specifically provided herein, capitalized terms in this Order shall have the meanings set forth in the Settlement Agreement.

6. Upon the Agreement Effectiveness Date, the Debtors, for themselves and on behalf of any party or person (including, without limitation, any past or present, direct or indirect member, stockholder, owner, and affiliate thereof, and each past and present, direct or indirect, officer, director, manager, partner, principal, agent, servant, employee, representative, advisor, attorney or creditor) claiming through Debtors or by reason of any damage to Debtors and/or damage resulting from affiliation or in connection with Debtors (the "Urban Comm Claimants") forever release, waive and discharge as against the FCC and/or the United States and each and every past and present, direct or indirect principal, agent, servant, staff, employee, representative, advisor and attorney of the FCC and/or the United States any and all claims, obligations, suits,

judgments, liens, damages, demands, debts, rights, interests, causes of actions, liabilities, losses, costs and expenses, of any kind, character or nature whatsoever, whether liquidated or unliquidated, direct or derivative, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or which the Urban Comm Claimants believe to now exist, or hereafter arising in law, equity and otherwise, with respect to the Urban Comm Related Matters, that are based in whole or in part on any act, commission, omission, transaction, or other occurrence or circumstance existing or occurring prior to the date of entry of this Order, except for the Debtors' rights under the Settlement Agreement.

7. Upon the Agreement Effectiveness Date, any and all claims, obligations, suits, judgments, liens, damages, demands, debts, rights, interests, causes of actions, liabilities, losses, costs and expenses of all past or present creditors, equity and other interestholders (the "Other Claimants"), of any kind, character or nature whatsoever, whether liquidated or unliquidated, direct or derivative, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or which the Other Claimants believe to now exist, or hereafter arising in law, equity and otherwise, with respect to the Urban Comm Related Matters, that are based in whole or in part on any act, commission, omission,

transaction, or other occurrence or circumstance existing or occurring prior to the date of entry of this Order, are hereby forever released, waived and discharged as against the FCC and/or the United States and each and every past and present, direct or indirect principal, agent, servant, staff, employee, representative, advisor and attorney of the FCC and/or the United States.

8. Upon the Agreement Effectiveness Date, the FCC and the United States, for itself and on behalf of each and every past and present, direct or indirect, principal, agent, servant, staff, employee, representative, advisor and attorney of the FCC and the United States, forever release, waive and discharge as against Debtors and each and every past and present, direct or indirect, member, stockholder, owner, and affiliate thereof, and each past and present, direct or indirect, officer, director, manager, partner, principal, agent, servant, employee, representative, advisor, attorney or creditor of Debtors, the Urban Comm Claimants and the Other Claimants, any and all claims, obligations, suits, judgments, liens, damages, demands, debts, rights, interests, causes of action, liabilities, losses, costs and expenses, of any kind, character or nature whatsoever, whether liquidated or unliquidated, direct or derivative, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, now existing or which the

FCC and/or the United States believe to now exist, or hereafter arising in law, equity and otherwise, with respect to the Urban Comm Related Matters, that are based in whole or in part on any act, commission, omission, transaction or other occurrence or circumstance existing or occurring prior to the date of entry of this Order, on any basis, except that the FCC and the United States specifically reserve their rights with respect to (x) federal taxes or enforcement of the criminal, environmental, securities, fraud, labor, employment (including ERISA) or antitrust laws of the United States, (y) any action by the FCC pursuant to its regulatory authority over Debtors as an FCC licensee (or former licensee) of the Licenses, including without limitation, its authority under the Communications Act of 1934, as amended, and the FCC rules, regulations, policies and decisions, and (z) any rights under the Settlement Agreement.

9. The terms and conditions of the direct cash payments to the FCC with respect to the Transfer of the Debtors' rights and interests in the Licenses to Triton PCS Holdings, Inc. and/or Cellco Partnership d/b/a Verizon Wireless, free and clear of any liens, claims, encumbrances, rights or interest as set forth in paragraphs 2 and 3 of the Settlement Agreement, and the Debtors' performance thereunder be, and hereby are, authorized and approved.

10. No Transfer of any rights and interests of any Debtor in any of the Licenses shall take place prior to the issuance of FCC regulatory approval for such a Transfer. Moreover, upon and after the Agreement Effectiveness Date, no Transfer of Debtors' rights and interests in any License shall occur, and no Sale Agreement shall proceed to Closing, unless and until the FCC receives the applicable direct cash payments required under sections 2, 3 and 4 of the Settlement Agreement. This ORDERING paragraph shall be included in any Sale Order or Confirmation Order.

11. The Adversary Proceeding is hereby dismissed with prejudice, with respect to all causes of action stated therein, without costs or attorney's fees to any Party.

12. The terms and conditions of the disposition of any unsold Licenses, including without limitation (i) the manner and procedures for such disposition, if any, as set forth in section 4 of the Settlement Agreement; (ii) the terms and conditions of the direct cash payments to the FCC with respect to the Transfer of any Alternative Transaction License, free and clear of any liens, claims, encumbrances, rights or interest as set forth in paragraph 4(d) of the Settlement Agreement; and (iii) the terms and conditions upon which any Alternative Transaction License that has not been Transferred pursuant to an

Alternative Transaction or Bankruptcy Court Auction shall be cancelled, rescinded and returned to the FCC without further approval of this Bankruptcy Court, be, and hereby are, authorized and approved.

13. The FCC's rights and powers to take any action pursuant to its regulatory authority, including without limitation its authority under the Communications Act of 1934, as amended, and the rules and regulations promulgated thereunder, and further including without limitation its rights and powers to take any action pursuant to its regulatory authority with respect to any application to transfer, assign, lease or dispose of any rights or interests in any License and any related requests for relief, are fully preserved, and nothing contained in this Order, the Settlement Agreement or any ancillary document contemplated therein shall prescribe or constrain the FCC's exercise of its regulatory power and authority.

14. Upon the Agreement Effectiveness Date, the terms and provisions of the Settlement Agreement shall be binding in all respects upon the Debtors, their equity and other interestholders, their creditors and estates, the FCC, the United States of America, and each of their respective affiliates, successors and assigns, and any affected third

parties, and all entities asserting a claim against or interest in the Debtors' respective estates or any rights or interests in the Licenses.

15. The Settlement Agreement and all transactions contemplated therein shall be specifically performable or enforceable against, binding upon, and not subject to rejection by, any subsequently confirmed plan or reorganization or chapter 7 or chapter 11 trustee of the Debtors.

16. The Settlement Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement is not material.

17. The FCC's receipt of the direct cash payments referenced in sections 2, 3 and 4 of the Settlement Agreement and, if applicable, the FCC's receipt of the Remaining Licenses pursuant to section 4(e) of the Settlement Agreement, shall be in full satisfaction of the Proof of Claim.

18. This Order shall be effective, binding and enforceable immediately upon entry, and not be stayed pursuant to Rule 6004(g) of the Federal Rules of Bankruptcy Procedure.

19. All objections, if any, to the Application or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are overruled on the merits.

Dated: New York, New York
April 4, 2005

S/ Robert E. Gerber
United States Bankruptcy Judge

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Debtor-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11 Case
: Nos. 98-B-47996,
: 98-B-47997 and
URBAN COMMUNICATORS PCS LIMITED : 98-B-10086 (REG)
PARTNERSHIP, et al., :
: JOINTLY ADMINISTERED
Debtors. :
:
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**ORDER AUTHORIZING AND APPROVING
THE SALE OF CERTAIN PCS LICENSES TO
CELLCO PARTNERSHIP d/b/a VERIZON WIRELESS,
FREE AND CLEAR OF LIENS AND ENCUMBRANCES**

Upon the Application of Urban Comm-North Carolina, Inc.,
Debtor-in-Possession (the "Debtor" or "Seller"), dated December
30, 2004, for entry of an Order pursuant to Sections 105 and 363
of the Bankruptcy Code and Rules 2002(a)(2), 4001(d)(1)(B),
6004(F) and 9006(b) of the Federal Rules of Bankruptcy Procedure
(the "FRBP"), (1) authorizing and approving the sale by the
Debtor to Cellco Partnership d/b/a Verizon Wireless (the
"Purchaser") of certain Assigned Licenses and Disaggregated
Licenses¹ pursuant to the terms and conditions of an Agreement
to Purchase FCC Licenses, dated December 22, 2004 (the "Purchase

¹ Capitalized and defined terms not otherwise defined in this Order shall
have the meaning ascribed thereto in the Purchase Agreement.

Agreement"), free and clear of liens and encumbrances, (2) the terms and conditions of the proposed Escrow Agreement and Escrow Amount and the Debtor's execution, delivery and performance of the proposed Escrow Agreement, (3) the terms and conditions of the Break-Up Fee, including without limitation, the terms and conditions upon which the Purchaser may be paid the Break-Up Fee, (4) the terms and conditions of the Non-Solicitation Covenant contained in the Purchase Agreement, and (5) the terms and conditions of the Termination Provisions contained in the Purchase Agreement (the "Motion"); it appearing that adequate and proper notice of the hearing on the Motion having been given; the terms and conditions of the Purchase Agreement, including the Escrow Agreement, the Escrow Amount, the Break-Up Fee, Non-Solicitation Covenant, and Termination Provisions having been negotiated in an arm's length transaction and agreed upon by the Debtor in good faith and within the Debtor's business judgment; the Motion having been heard by this Court at a hearing on January 24, 2005 (the "Hearing"); the Court having heard Charles E. Simpson, Esq. of Windels Marx Lane & Mittendorf, LLP, attorneys for the Debtor, in support of the Motion; any and all parties having been given the opportunity to be heard at the Hearing; upon due deliberation thereon, and good and sufficient cause having been shown,

IT IS HEREBY FOUND AND DETERMINED THAT:²

(a) This Court has jurisdiction to hear and determine the Motion pursuant to 28 USC §§157 and 1334;

(b) Venue of this case in this district is proper pursuant to 28 U.S.C. §§1408 and 1409;

(c) Determination of the Motion is a core proceeding under 28 U.S.C. §157(b)(2);

(d) The statutory predicates for the relief requested herein are §§105 and 363 of the Bankruptcy Code and Rules 2002 and 6004 of the FRBP;

(e) Proper, timely, adequate and sufficient notice of the Hearing and the Motion has been provided to all creditors, interested persons and/or entities in accordance with §§102 and 363 of the Bankruptcy Code and Rules 2002, 6004 and 9006 of the FRBP and no other or further notice of the Hearing or Motion is required;

(f) As demonstrated by the evidence proffered or adduced at the Hearing and the representations of counsel made on the record at the Hearing, the entry into the Purchase Agreement by the Debtor is a reasonable exercise of the Debtor's business judgment and the purchase price and other terms of the Purchase Agreement are fair and reasonable in all respects.

² In accordance with Rule 7052 of the Federal Rules of Bankruptcy Procedure, "findings of Fact" shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate.

Consummation of the sales described in the Purchase Agreement is in the best interests of the Debtor, its creditors, its estate and all other parties in interest. The Debtor has demonstrated sound business purpose and justification for the sale to Purchaser pursuant to §363(b) of the Bankruptcy Code;

(g) The Debtor has the full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby and to consummate the sales described therein. No consents, approvals or conditions, other than those expressly provided for in the Purchase Agreement, are required for the Debtor to consummate the transaction described in the Purchase Agreement. The Purchase Agreement is enforceable in accordance with its terms;

(h) The Purchaser is a third party purchaser, unrelated to the Debtor. The Purchase Agreement was negotiated, proposed and entered into by the Debtor and the Purchaser without collusion, in good faith and from arms-length bargaining positions. The Debtor and the Purchaser have not engaged in any conduct that would cause or permit the Purchase Agreement to be avoided or give rise to other recovery against Purchaser under § 363(n) of the Bankruptcy Code;

(i) The Purchaser is a good faith purchaser under §363(m) of the Bankruptcy Code and as such is entitled to all of the protections afforded thereby. The Purchaser will be acting

in good faith within the meaning of §363(m) in closing the transaction contemplated by the Purchase Agreement at all times after entry of this Sale Order;

(j) The Purchaser would not have entered into the Purchase Agreement and will not consummate the transactions contemplated thereby if the sale of the Assigned Licenses and Disaggregated Licenses is not a sale free and clear of all liens, claims, encumbrances or interests of any kind or nature whatsoever;

(k) The Debtor may sell the Assigned Licenses and Disaggregated Licenses described in the Purchase Agreement free and clear of all liens, claims, encumbrances and interests because, in each case, one or more of the standards set forth in §363(f) (1) through (5) of the Bankruptcy Code have been satisfied. Any holder of a lien, claim, encumbrance and/or interest who did not object or who withdrew their objections to the Motion are deemed to have consented pursuant to §363(f) (2). Any holder of a lien, claim, encumbrance and/or interest who did object to the Motion falls within one or more of the subsections of §363(f) and is adequately protected by having its lien, claim, encumbrance and/or interest, if any, attach to the proceeds of the sales;

(l) The transaction provided for and approved hereunder is a transfer in contemplation of a plan of

reorganization/liquidation and shall not, in accordance with §1146(c) of the Bankruptcy Code, be subject to taxation under any federal, state or local law imposing a stamp, transfer or similar tax; and

(m) The transfer of the Assigned Licenses and the Disaggregated Licenses to the Purchaser under the terms of the Purchase Agreement will not subject the Purchaser to any liability whatsoever with respect to the operation of the Debtor's business prior to the closing date or by reason of such transfer under the laws of the United States, any state, territory or possession thereof, or the District of Columbia, based, in whole or in part, directly or indirectly, on any theory of law or equity, including without limitation any theory of equitable subordination or successor or transferee liability.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. The Motion is hereby GRANTED and APPROVED in all respects.

2. All objections to the Motion or the relief requested therein that have not been withdrawn, waived, or settled and all reservations of rights included therein (except those which are specifically set forth in this Sale Order), are hereby overruled on the merits.

3. The Purchase Agreement, all of the terms and conditions contained therein, and all related agreements are

approved in all respects. Failure to specifically include any particular provision of the Purchase Agreement in this Sale Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Purchase Agreement be authorized and approved in its entirety.

4. The Debtor and each and every other person having duties or responsibilities under the Purchase Agreement or this Sale Order, and their respective members, managers, directors, officers, agents, representatives and attorneys are authorized, empowered and directed to execute, deliver and carry-out all of the provisions of the Purchase Agreement and any related agreements, and to take any action contemplated by the Purchase Agreement or this Sale Order, and to issue, execute, deliver, file and record, as appropriate, such other contracts, instruments, releases, deeds, bills of sale, assignments or other agreements, and to perform such other acts as are consistent with and necessary or appropriate to implement, effectuate and consummate the Purchase Agreement and this Sale Order and the transactions contemplated thereby and hereby, all without further application to the Bankruptcy Court or further action by the Debtor's members, managers, directors or stockholders. Without limiting the generality of the foregoing, subject to the terms and conditions of the Purchase Agreement, this Sale Order shall constitute all approvals and consents, if